

From: [Dan Margo](#)
To: [Rob Mattei](#)
Subject: Re: Downtown Boutique Hotel Project
Date: Tuesday, September 13, 2022 5:31:31 PM

Good afternoon Rob,

Please accept this as a request for an extension on our preliminary development agreement with the GREDA regarding the VFW site.

Most recently we have narrowed our management group search down to two final candidates. We are considering the Morrissey Hospitality Group out of Saint Paul and also a group by the name of Boutique Hotel Professionals (BHP)... Out of Michigan.

We have recently received preliminary data regarding our request for a more complete and current feasibility study. The preliminary numbers are quite favorable. We will be happy to share that study with you once we have the final report.

At this point in time, please allow us to extend our current agreement with the GREDA.

Most sincerely,
Dan Margo

Sent from my iPhone

> On Jul 26, 2022, at 2:03 PM, Rob Mattei <rmattei@ci.grand-rapids.mn.us> wrote:

>

> This is perfect.

>

> Give me a call when you have a moment. I can be when you get back. I want to connect you with someone that could generate a substantial line of business for the hotel and meeting room.

>

>

> -----Original Message-----

> From: Dan Margo <dmargo4861@gmail.com>

> Sent: Monday, July 25, 2022 3:52 PM

> To: Rob Mattei <rmattei@ci.grand-rapids.mn.us>

> Subject: Downtown Boutique Hotel Project

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>

> Rob and GREDA,

>

> We would like to provide you with an update on our project and progress here recently. We remain excited and very optimistic about this project and the impact that it will have on our downtown area and our Grand Rapids community.

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> -We continue to work with DSGW as our architect. We have enjoyed the relationship so far. Just last week, they provided us with an updated design deck. We would be happy to share that with you.

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> -As you may know, we have selected HAWK Construction as our general contractor and "construction manager". We have been in contact with HAWK Construction and their leadership. They have assured us that their recent change in ownership will not in anyway hinder their ability to facilitate the successful completion of our project. Building costs remain elevated and there is obviously the "labor shortage". Even considering this current situation,

we believe we can bring this project to completion.

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> -We have met individually with Woodland Bank, Dearwood Bank, the Bank of Coleraine, and Grand Rapids State Bank. We have asked these four banks to cooperate and we have requested that Woodland Bank serve as the "lead bank". The four banks have met and they have reported a favorable first impression of the project. We believe they are ready to go once we secure our investment group.

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> -We have recently interviewed three entities with experience in management and ongoing operations of boutique hotels. More specifically, we would like this entity to have experience in the northern Minnesota market. We have requested proposals from these 3 entities. We are expecting to hear back from them by August 15.

>

> -We have requested a more in depth, specific, and up-to-date feasibility study. The bankers have requested this and we feel that this will be helpful in conversation with our investors. We will be happy to share this information with you once we have it in our hands.

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> -We have had preliminary meetings with several key investors. We will not request commitment until we have selected the management group and have reviewed the more robust feasibility study.

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> -We continue to work with Kyle O'Brien and Amanda McCabe. They are recently married and now go by Kyle and Amanda Luciere. We are exploring and looking for the most effective way to partner with these young entrepreneurs and to bring a high-level restaurant to the downtown Grand Rapids area.

>

> -We continue to recognize the parking situation as an important component of a successful project. We have been exploring parking solutions with the Chamber of Commerce and UPM.

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> -We have been working toward open communication and a purposeful cooperative relationship with Itasca Economic Development Company and the Wells Fargo Bank. These relationships are important as these businesses would be our immediate next-door neighbors.

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> *** Rob, I hope this is what you were looking for. Please feel free to summarize this for your meeting on Thursday. Let me know if there is anything else you would need to prepare for the meeting.

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> Thanks again for the Ongoing help with this project.

>

> Sincerely,

> Dan Margo (and the Cambium Group)

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> Sent from my iPhone